

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2565 – HB 2494

March 16, 2014

SUMMARY OF BILL: Requires, upon presentation of a death certificate of a member, a rural electric and community services cooperative to file with the probate court a statement indicating the member's right to receive refunds or general rate reductions pursuant to Tenn. Code Ann. § 65-25-212, if the member's right to receive refunds or general rate reductions is transferrable upon the member's death, and if such refunds or general rate reductions are transferrable, a statement indicating the procedure to be followed to transfer such refunds and general rate reductions..

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 65-25-203, electric cooperatives are organized and operated on a nonprofit basis without pecuniary gain. They are not considered state or local government entities.
- Any impact to state or local government as a result of the provisions of this bill is estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 65-25-212, the revenues for any fiscal year collected by a rural electric cooperative that are in excess of the amount necessary to defray expenses, pay interest and principal obligations, finance the construction or acquisition of additional facilities, provide a reasonable reserve, and other operations, are distributed by the cooperative to patrons by means of a refund, a general rate reduction, or a combination of other methods outlined by statute.
- According to information provided by the Tennessee Electric Cooperative Association, patronage capital does not transfer upon a member's death.

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- It is assumed any cost associated with providing a statement to the probate court indicating such policy will not result in any significant increase to business expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name being the most prominent.

Lucian D. Geise, Executive Director

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